

UNCLASSIFIED

Iraq

Status Report

March 18, 2009



Bureau of Near Eastern Affairs
U.S. Department of State

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HIGHLIGHTS



- **President Talabani Will Not Seek Another Term (*POLITICAL*, page 4).**
- **KRG President Criticizes GOI Oil Policies at London Conference (*ECONOMIC*, page 11).**
- **Iraqi Prime Minister Nuri al-Maliki Visits Australia March 12 (*DIPLOMATIC*, page 17).**
- **U.S.-Iraqi Officials Confirm Downing Iranian Drone (*SECURITY*, page 19).**



POLITICAL - Governance & Legislation

President Talabani announces he will not seek a second term, while Iraqi court system faces challenges to decisions

President Talabani Will Not Seek Another Term:

- Iraqi President Jalal Talabani's office confirmed March 14 that he will not seek a second term in office. A statement issued by the office noted that Talabani is "willing to relinquish a second term and to devote himself to his general political and party duties." In a media interview, Talabani said "I hope to retire, to go back home and to have time for writing my memoirs." Parliament should pick the next President in early 2010, after the next round of national elections.

Shoe-Thrower Receives Three Years in Prison:

- Iraq's Central Criminal Court sentenced Muntader al-Zaidi, the Iraqi journalist who threw his shoes at then-President George W. Bush, to three years in prison March 12. The trial had previously been postponed to determine whether former President Bush's trip was classified as an official state visit. The court found that the visit qualified as an official visit and charged al-Zaidi with assaulting a foreign head of state, a crime punishable by up to 15 years in prison. Al-Zaidi's lawyers said they will appeal the ruling.



POLITICAL - Governance & Legislation

President Talabani announces he will not seek a second term, while Iraqi court system faces challenges to decisions.

Amnesty International Asks Iraq to Suspend Executions:

- **Amnesty International called on the Government of Iraq to cease the planned executions of over a hundred prisoners after charging that their trials may not have met international standards. Amnesty also requested that the government make the prisoners' names and the charges against them public. A spokesman for the Iraqi judiciary claimed the names and case details of Iraqis in line to be executed are available. The spokesman added that a death penalty verdict automatically goes to a board of 23 judges with at least 25 years of legal experience for an appeal, and the outcome is decided by a simple majority.**



POLITICAL – Government of Iraq

Coalition Affiliation (at time of appointment)
United Iraq Alliance
Kurdistani Alliance
Iraqi Accord Front
Iraqi National List
Other / Independent

(F) = Female

***Formerly Iraqiya

Prime Minister
Nuri Kamil al-Maliki

Deputy Prime Minister
Rafi Hiad Jiad al-Issawi

Deputy Prime Minister
Dr. Barham Ahmed Salih

President
Jalal Talabani
Deputy President
Tariq al-Hashimi
Deputy President
Adil Abd al-Mahdi

Minister of Agriculture
Ali Husayn Kadhum al-Bahadili

Minister of Communications
Faruq Abd al-Qadir Abd al-Rahman

Minister of Culture
Mahir Dilli Ibrahim al-Hadithi

Minister of Defense
Abd al-Qadir Muhammad Jasim al-Aubaidi

Minister of Displacement & Migration
Dr. Abd al-Samad Rahman Sultan

Minister of Electricity
Dr. Karim Wahid al-Hasan

Minister of Education
Dr. Khudayr Mousa Jaffar al-Khuzai

Minister of Environment
Dr. Nermin Othman Hassan (F)

Minister of Finance
Bayan Jabr

Minister of Foreign Affairs
Hoshiyar Mahmud Zebari

Minister of Health
Dr. Salih Mahdi Mutlab al-Hasnawi

Minister of Higher Education and Scientific Research
Abid Dhiyab al-Ujayli

Minister of Human Rights
Eng. Wijdan Mikhail Salim (F)

Minister of Industry & Minerals
Fawzi Fransu Hariri

Minister of Interior
Jawad Kadhum Eidan al-Bulani

Minister of Justice
Dara Nur al-Din

Minister of Housing & Construction
Bayan Dizayee (F)

Minister of Labor & Social Affairs
Eng. Mahmud Muhammad Jawad al-Radi

Minister of Oil
Dr. Husayn Ibrahim al-Shahristani

Minister of Planning
Ali Ghalib Baban

Minister of Trade
Dr. Abd al-Falah Hassan Hummadi al-Sudani

Minister of Science & Technology
Dr. Raid Jahid Fahmi

Minister of Municipalities & Public Works
Riyadh Abd al-Hamza Gharib

Minister of Transportation
Amir Abd al-Jabar Ismail

Minister of Water Resources
Dr. Abd al-Latif Jamal Rashid

Minister of Youth & Sports
Eng. Jasim Muhammad Jaffar

Minister of State for Civil Society Affairs
Dr. Thamir Jafar al-Zubaidi

Minister of State for National Dialogue
Dr. Akram Mousa Hadi al-Hakim

Minister of State for National Security
Eng. Shirwan Kamil al-Waili

Minister of State for Foreign Affairs
Dr. Muhammad Munajid Aifan al-Dulaymi

Minister of State for Provinces Affairs
Dr. Khulud Sami Izzara al-Majun (F)

Minister of State for Tourism and Antiquities
Dr. Qahtan Abbas Numanal-Jabburi

Minister of State for Women's Affairs

Minister of State for CoR Affairs
Safa al-Din Muhammad al-Safi

Minister of State at Large
Muhammad Abbas Muhammad al-Uraybi

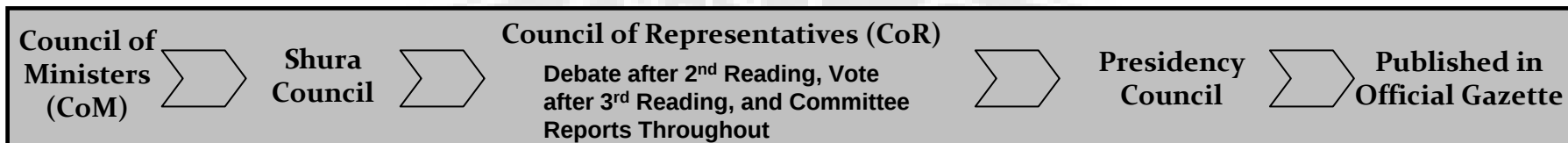
Minister of State at Large
Ali Muhammad Ahmad

Minister of State at Large
Hasan Radhi Kazim al-Sari

POLITICAL – Key Legislation



Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **Budget:** The Council of Representatives (COR) passed a budget on March 5. The budget must now be approved by the Presidency Council.
- **COR Speaker:** The COR has yet to reach a consensus on appointing a new Speaker since Mahmoud Mashadani was ousted on December 23, 2008. The COR began its spring recess on March 5 and will resume on April 14.

POLITICAL - Refugee Update



- Regional governments report hosting as many as 2 million Iraqi refugees.
- The International Organization for Migration (IOM) estimates that over 2.8 million Iraqis are displaced inside Iraq.
- In FY08, the State Department's Bureau of Population, Refugees and Migration contributed \$287.08 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.
- The U.S. admitted 13,823 Iraqi refugees in FY08 (which ended September 30).
- Since the program's inception in FY07, 22,366 Iraqi refugees have been admitted for U.S. resettlement; in FY09 alone, the U.S. seeks to admit a minimum of 17,000 Iraqi refugees.
- In FY 2008, a total of 1,142 Special Immigrant Visa (SIVs) were issued for Afghan and Iraqi translators and interpreters (under the Section 1059 program).
- As of December 2008, a total of 1,311 SIVs have been issued since FY08 (under the Section 1244 program).

ECONOMIC – Oil



Oil sector remains active despite absence of new federal laws

Crude Oil Update:

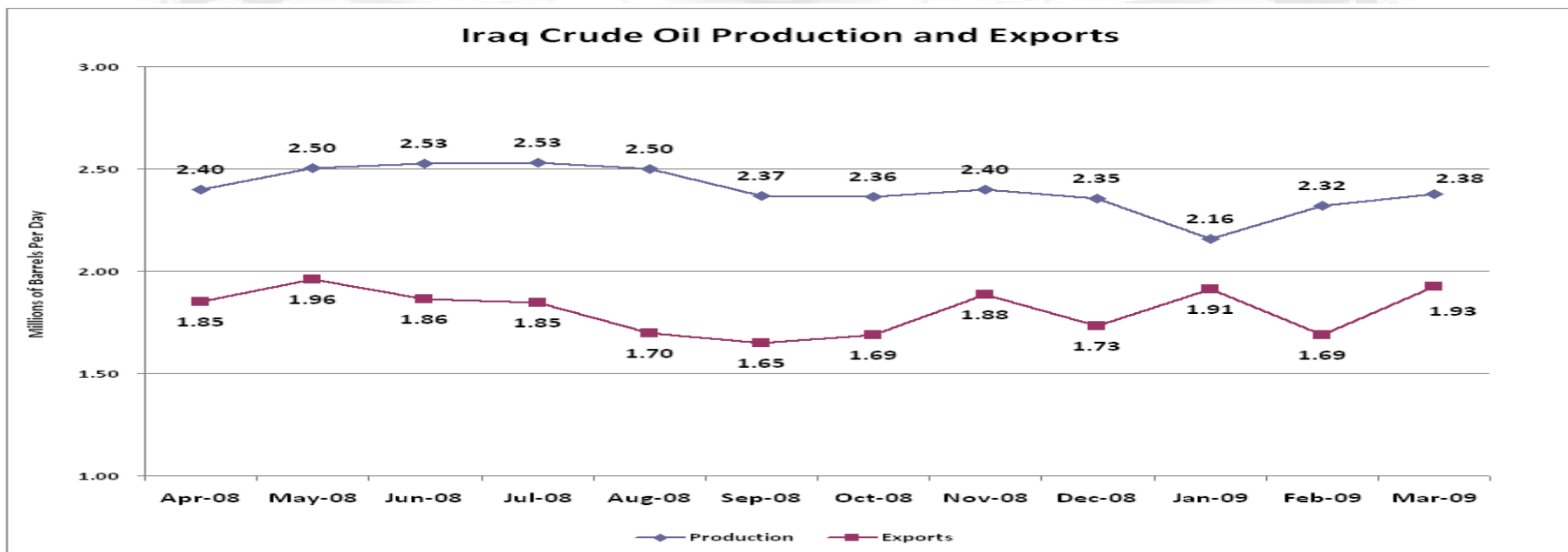
Price averages in world markets closed with the following prices:

Basrah Light at \$43.29/barrel

Dated Brent at \$43.78/barrel

WTI Cushing at \$45.68/barrel

Oman/Dubai at \$43.21/barrel



Revenue estimates:

2007: \$41.0 Billion

2008: \$61.9 Billion *

2009 (ytd): \$5.7 Billion

* Estimate adjusted as a result of newly-available Iraqi data.

ECONOMIC – Oil



Iraq focuses on increasing production despite calls in OPEC to reduce production levels

Ahdab Oil Field Project Opened:

- On March 11, Minister of Oil Husayn al-Shahristani pushed the button on a seismic survey of the Ahdab field, inaugurating the oil deal with the Chinese National Petroleum Company (CNPC), the first major contract signed by the Government of Iraq with a foreign company since 2003. This new service contract was the renegotiation of a 1997 production sharing contract, and includes CNPC building a power plant and refinery. Four appraisal wells should be drilled within months, according to Shahristani.

Iraq Oil Minister Expresses Concern over OPEC Oil Production Levels:

- Minister of Oil Husayn al-Shahristani said March 14 that OPEC is pumping more oil than the market can absorb, adding that the current price of oil was too low and affecting the prospects for future oil production. "If demand is going to decline, then OPEC would have no choice but to reduce its production levels. We have no customers for our current production levels," Shahristani said. However, since Iraq does not have an OPEC quota, it would not need to abide by any production cuts.

ECONOMIC – Oil



Iraq focuses on increasing production despite calls in OPEC to reduce production levels

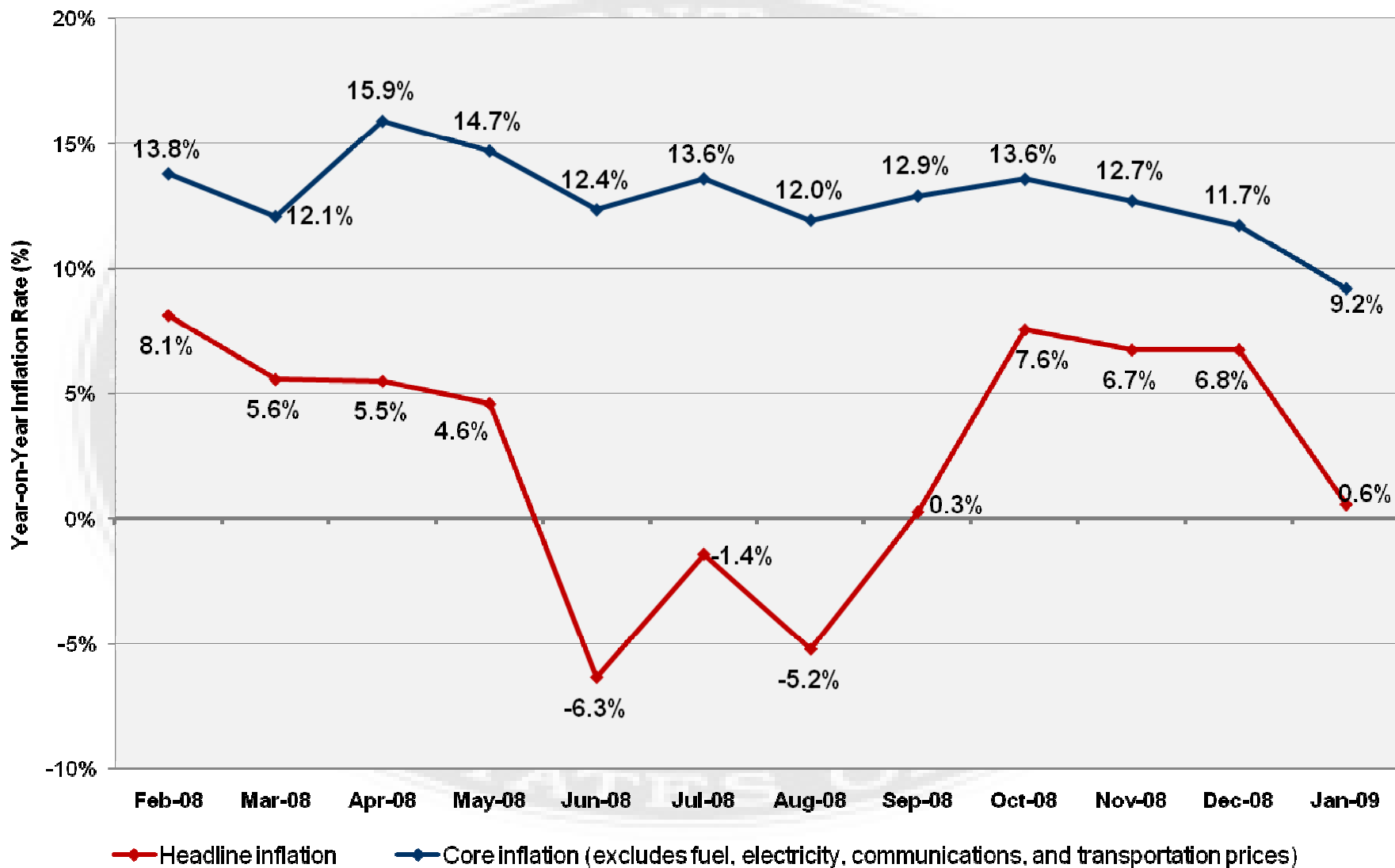
KRG President Criticizes GOI Oil Policies at London Conference:

- On March 12, KRG President Masoud Barzani criticized the Government of Iraq for its inability to boost oil production and characterized the GOI's oil policies as "failed" at a conference in London, ignoring the fact that both the KRG and GOI are to blame for the current stalemate on reforming the oil sector. Barzani also claimed the KRG is presently able to export 100,000 barrels per day (bpd), which by the end of the year could reach 200,000 bpd, and 450,000 bpd by the end of 2010. In three years, Barzani claimed the KRG's production capabilities could reach 1 million bpd. The KRG is currently only able to produce a few thousand barrels per day despite the KRG president's claims it is unable to export its oil through the federally owned pipeline. This is because the KRG and GOI have not reached an agreement on either a hydrocarbon law or a revenue sharing law.

ECONOMIC - Fiscal and Monetary Affairs



Year-on-Year Inflation





ECONOMIC – Fiscal and Monetary Affairs

Sound economic policies will help ensure Iraq maintains security and stability

Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$48.56	\$45.38	\$44.89	\$66.08
Yield	16.02%	14.17%	14.29%	9.95%

Iraqi Vice President Questions IMF Recommendations to Cut Subsidies:

- Iraqi Vice President Tareq al-Hashemi praised the IMF and World Bank's efforts to reduce Iraq's debt in an interview with Reuters March 11, but said recommended measures to discourage subsidies for local industries was producing unemployment which could be destabilizing, and stifling economic growth in Iraq. "The deterioration of domestic production has affected demand for workers, and this has had an effect on security," Hashemi said. "The policy of (the World Bank and IMF) is that the economy must be 100 percent left to the private sector, and the state has no input ... Our industry is an infant one and needs support," the vice president added, supporting his case for state subsidies.

ECONOMIC – Public Services



Iraq continues to invest in critical infrastructure projects with improved security

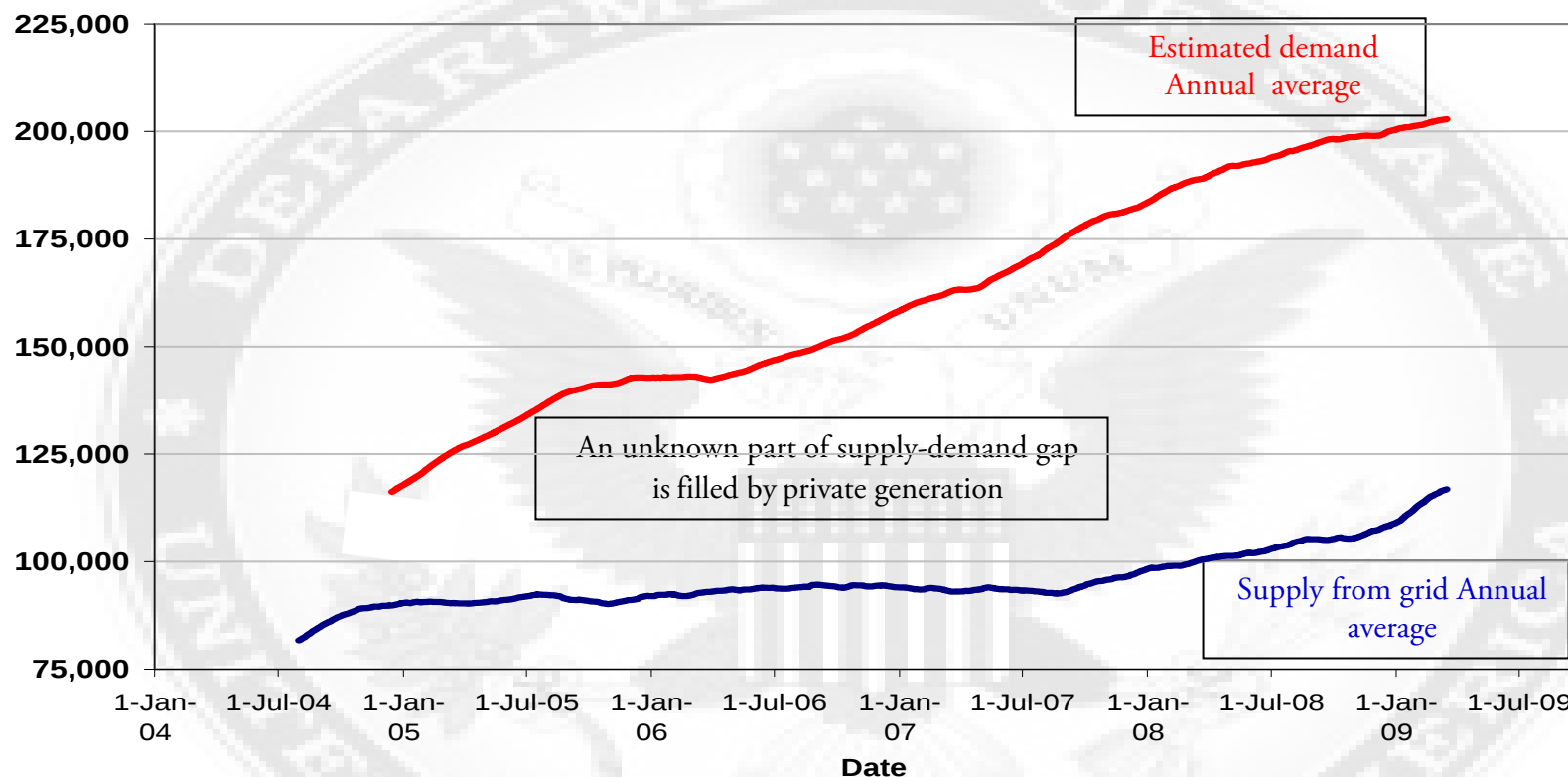
Road Construction Resumes in Wasit and Maysan:

- The local governments in Wasit and Maysan have allocated funds to construct new roads in the respective provinces. The Wasit government appointed a local contractor to build a new major road in the province, expected to cost \$67.5 million and take two and half years to complete. Maysan has begun a project to build a new road close to the provincial capital of Amarah, which should be completed in six months. On March 10, Iraq's cabinet ordered construction projects which were halted due to the security situation to be resumed as part of the government's effort to quicken the reconstruction process.

Public Services – Electricity



GOI needs to strengthen policy actions to manage demand and usage patterns



- Daily electricity supply from the grid March 10-16 was 19% above the year-earlier period and met 68% of demand, compared with 62% for the year-earlier period.
- Based on estimated demand, hours of power after meeting demand from essential services were Baghdad 16.7 and Iraq 15.1. Year-ago levels were Baghdad 11.3 and Iraq 12.7.

Beyond Baghdad



UNAMI-sponsored International Women's Day event in Karbala

Erbil

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

President Barack Obama

Recent Highlights

The 3rd meeting of the Gender-Based Violence Task Force (GBVTF) was held in Erbil on March 1. The GBVTF includes around 40 affiliate members, with new members from the Ministry of Human Rights and the Ministry of the Interior (MOI) in attendance. Other members include Erbil Regional Reconstruction Team, NGOs, UNAMI representatives, professors, and KRG officials. The meeting offered patrons the opportunity to listen to discussions on gender based violence and other gender related issues. The MOI also issued its gender based violence statistics for Erbil in 2008.

Muthanna

Muthanna province recently hosted its first art exhibit featuring young female artists. The exhibit was sponsored by PRT Muthanna who partnered with a Public Awareness Organization, a local NGO. The exhibit is an extension of a recent private exhibit in Samawah City. The project, which provides a creative outlet for an underrepresented demographic, is expected to get wide local and provincial support as well as media coverage throughout the area.

Wasit

The business climate in Wasit has been positively affected through the PRT-sponsored Wasit Opportunity Fair which was held February 27-28. The fair has to date generated more than \$2 million in new business orders and continues to impact the region as participants improve business relationships.



DIPLOMATIC – Political Engagement

The Arab League reaffirms support for Iraqi reconciliation, as GOI expands international engagement

Ambassador Christopher Hill Officially Nominated:

- President Barack Obama March 11 officially nominated Assistant Secretary of State for East Asia and Pacific Affairs Christopher Hill as the nation's next representative to Iraq.

PM Maliki Visits Australia:

- Iraqi Prime Minister Nuri al-Maliki departed March 12 on the first visit by an Iraqi PM to Australia. He held talks with Prime Minister Kevin Rudd and other top Australian officials on economic, assistance, and security issues. Australian Foreign Minister Stephen Smith said the visit marked a shift in relations between the two countries toward development aid and trade and away from military involvement. Discussions focused on strengthening trade and investment links, building on Australia's agricultural and resource sector expertise.



DIPLOMATIC – Political Engagement

The Arab League reaffirms support for Iraqi reconciliation, as GOI expands international engagement

Secretary General of Arab League Visits Baghdad:

- Secretary General of the Arab League Amr Moussa arrived in Baghdad March 16 for three-days of meetings with Iraqi officials in advance of the Arab summit scheduled to take place in Qatar later this month. During a press conference in Baghdad, Moussa urged the Iraqi government to increase national reconciliation efforts and stated that the Arab League views reconciliation as the “only firm basis on which to meet all threats and challenges” in Iraq. The visit is Moussa’s first trip to Iraq in four years.

UN Special Envoy to Iraq Continues Discussions on Kirkuk and Disputed Areas:

- The United Nations Secretary General’s Special Representative to Iraq, Staffan de Mistura, held a new round of discussions with authorities in Baghdad and Kirkuk to discuss power-sharing in Kirkuk as well as developments in parts of Ninewa and Diyala provinces. He met officials in Prime Minister Nuri al-Maliki’s office, the Kirkuk Provincial Council Chairman, and other Iraqi officials. Further meetings will be held after the end of the parliamentary recess. UNAMI sought to clarify some misunderstandings about its role and activities, making clear, for example, that it “has absolutely no plans to include in its analysis any suggestion for the territorial division of Kirkuk province.”



SECURITY - Situation Update

Iran and AQI continue to try to undermine security in Iraq

U.S.-Iraqi Officials Confirm Downing Iranian Drone:

- Major General (MG) Abdul Aziz Mohammed Jassim, head of military operations at the Iraqi Defense Ministry, told Reuters March 16 that the U.S. military shot down an Iranian drone that ventured into Iraqi airspace several weeks ago. The U.S. military has declined to comment on reports of the incident. Iran claims to have no information on the incident.

AQI Affiliated Group Claims Responsibility for Attack at Baghdad Police Academy:

- A group affiliated with al-Qaida in Iraq (AQI) claimed responsibility for the March 8 suicide attack on the Baghdad Police Academy that killed 28 people. The Islamic State in Iraq, a Sunni Islamic terrorist group who called for the killing of Sunni politicians last September, claimed responsibility on their website and praised the bomber as a “martyr.” No one has yet claimed responsibility for the March 10 suicide attack on tribal leaders and security officials, killing over 30 people in Baghdad.



SECURITY – Security Transition

As U.S. Forces redeploy from secure areas, equipment will be transferred to the ISF; the GOI expects to meet SOI milestone

U.S. Troops Will Only Withdrawal from Areas 100% Secure:

- Prime Minister Nuri al-Maliki said in a March 15 interview that the U.S. would not withdraw troops from areas of Iraq that are not “100 percent secure and under control.” Separately, Brig. Gen. Frederick Rudesheim, a deputy commander of U.S. Forces in Baghdad, said American troops will focus on limiting insurgent supply routes and rural support areas after combat troops withdraw from Baghdad at the end of June.

Milestone Signifies All SOI Assumed by Government of Iraq:

- The Government of Iraq will assume full control of the 10,000 remaining Sons of Iraq (SOI) based in Salah ad-Din province April 1. 81,773 SOI have already been transferred from U.S. to Iraqi control in eight provinces since October 2008. Prime Minister Maliki has mandated that 20 percent of the SOI will join the Iraqi Security Forces, while more than 3,000 have already joined the police. The remaining 80 percent will be offered non-security related government jobs or vocational training.



SECURITY - Iraqi Security Forces

Iraqi Security Forces as of Dec 31, 2008 ^a			
Component	Current Authorized Personnel ^b	Assigned Personnel ^c	Total Trained Personnel to date ^d
Ministry of Interior (MoI) Forces ^e			
Iraqi Police Service ^f	334,739	305,831	220,013
National Police	46,580	43,538	56,577
Border Enforcement ^g	45,550	40,976	38,846
Total MoI	426,869	390,345	315,436
Ministry of Defense (MoD) Forces ^h			
Army	174,805	196,127	240,058
Army Training and Support Forces ⁱ	22,345	19,990	22,930
Air Force	3,690	2,148	4,572
Navy	3,596	1,887	1,494
Total MoD	204,436	220,152	269,054
Counter Terrorism Bureau			
Special Operations ^j	6,190	4,209	4,564
Total Iraqi Security Forces	637,495	614,706	589,054

▪ Increase of 1.6K assigned and 8.5K trained since last report.

a. Numbers do not include ministry staffs.

b. Numbers reflect Government of Iraq (GOI) authorizations.

c. Numbers are based upon GOI payroll data and do not reflect present for duty totals.

d. Numbers reflect total Iraqi Security Forces (ISF) personnel trained to date, some of which are no longer assigned due to casualties, AWOL, and normal separation.

e. MoI strength excludes other services within Ministry Of Interior (MOI), including the MOI HQ, MOI Forensics, Facility Protection Services, and contracted guards.

f. The Iraqi Police Service consists of all provincial police forces (station, patrol, traffic, and special units) assigned to all 18 Iraqi provinces.

g. Data associated with Ports of Entry Directorate has been pulled out of the Directorate of Border Enforcement. Expect authorized and assigned strengths to fluctuate as the new PoED organization takes shape.

h. The Ministry Of Defense (MOD) authorized numbers are derived from Modified Tables of Organization and Equipment (MTOEs).

i. The MoD Army Training and Support Forces include logistics units and training center cadre.

j. Does not include personnel assigned to Counterterrorism Bureau (CTB) or Counterterrorism Command (CTC) headquarters.



CONTACT INFORMATION

This brief draws from multiple sources. References are cited on the following pages.

For additional information, please see:

- Department of State, Section 2207 Report on Iraq Relief and Reconstruction
<http://www.state.gov/p/nea/rls/rpt/2207/c26517.htm>
- Department of State, Section 1227 Report on Iraq
<http://www.state.gov/p/nea/rls/rpt/1227/c26862.htm>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq
http://www.defenselink.mil/pubs/pdfs/9010_Report_to_Congress_Dec_08.pdf

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



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- NY Times, March 12, <http://www.nytimes.com/2009/03/13/world/middleeast/13iraq.html>

Slide 5:

- Reuters, March 13, <http://www.reuters.com/article/worldNews/idUSTRE52C25R20090313>

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Slide 14:

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- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

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- Source for Stories: PRT Weekly Summary 030109-030709: OPA PRT BUA Slide, Down Report, March 14, 2009.
- Source for President Obama's Quote: http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/



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- AP, March 12, <http://www.pr-inside.com/iraq-s-al-maliki-visits-australia-for-r1108887.htm> and Australian Prime Minister's website, March 12, http://www.pm.gov.au/media/Release/2009/media_release_0865.cfm

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- AFP, March 17, <http://www.france24.com/en/20090317-arab-league-chief-presses-iraq-reconciliation>
- UNAMI website, March 16, <http://www.uniraq.org/newsroom/getarticle.asp?ArticleID=990>

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- Reuters, March 16, <http://www.reuters.com/article/worldNews/idUSTRE52F2ZL20090316>; Washington Post, March 17, <http://www.washingtonpost.com/wp-dyn/content/article/2009/03/16/AR2009031601228.html>; International Herald Review, March 17, <http://www.iht.com/articles/ap/2009/03/17/news/ML-Iran-US-Iraq.php>
- Reuters, March 13, <http://www.reuters.com/article/latestCrisis/idUSLC628697>

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- Associated Press, March 16, http://www.google.com/hostednews/ap/article/ALeqM5hwK_CSpBxsNuVUEaDuOwmSSCiqGwD96UMI1G1
- American Free Press, March 12, http://www.google.com/hostednews/afp/article/ALeqM5h20XF50vkeJrrj29vT_5WeD7iBVQ

Slide 21:

- DoD Input to Iraq Status Report March 18, 2009